

**DECISION**

**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D. C. 20548

**FILE:** B-219738

**DATE:** April 16, 1986

**MATTER OF:** Department of Education--Compromise  
Settlement with Pan American Financial  
Corporation

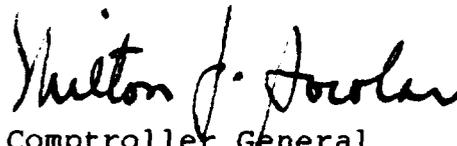
**DIGEST:**

Settlement agreement between the Department of Education and a claimant should not be paid because the claimant has abrogated the agreement and filed a complaint in the Claims Court.

This decision is in response to a request from Ms. Serena Smith, an authorized certifying officer of the Department of Education. Ms. Smith requests our decision as to the propriety of payment of a \$10,000 settlement to Pan American Financial Corporation (PAFC). The settlement is a compromise of a \$12,605.68 claim made by PAFC against the Department of Education. The claim arose when Education paid certain contract proceeds to the contractor-assignor rather than to PAFC, the assignee.

As we understand it, PAFC has now abrogated the settlement agreement and filed a complaint in the United States Claims Court. As a result, any question of administrative settlement of the claim is now moot.

Therefore, the \$10,000 voucher should not be paid.

*for*   
Comptroller General  
of the United States

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